

MINUTES
REGULAR MEETING OF THE SANDPOINT CITY COUNCIL
February 21, 2018

OPENING Mayor Rognstad called the regular meeting of the City Council to order at 5:30 p.m. on Wednesday, February 21, 2018, in the Council chambers at City Hall, 1123 Lake Street.

ROLL CALL Council members Ruehle, Aitken, Aispuro, Darling, Williamson and Eddy were present.

PLEDGE OF ALLEGIANCE Mayor Rognstad led the Council and the public in the pledge of allegiance to the flag.

ANNOUNCEMENTS

Councilwoman Ruehle thanked the City's Street Department for doing a good job in removing the snow from the most recent snow fall.

CONSENT CALENDAR

Councilwoman Williamson moved that items A-1 through C-1 be approved.
Councilwoman Ruehle seconded the motion.

A roll call vote resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

The motion passed by a unanimous vote of Council.

A. MINUTES

A-1 City Council regular minutes of February 7, 2018

A-2 Planning and Zoning Commission, January 16, 2018

A-3 Urban Renewal Board, January 2, 2018

B. Bills in the total amount of \$1,640,656.83; \$894,363.93 for regular payables and \$599,163.26 for payroll.

C. RESOLUTIONS

1. **Resolution No. 18-12** – Idaho Unified Certification Program Agreement

OLD BUSINESS

D. RESOLUTION NO. 18-12 – AMENDMENT #4 TO ENGINEERING CONSULTING SERVICES AGREEMENT WITH CENTURY WEST ENGINEERING CORPORATION FOR PHASE 2 CONCEPTUAL DESIGN FOR FARMIN'S LANDING AND PHASE 2 OF DOWNTOWN REVITALIZATION INCLUDING BRIDGE STREET, FIRST AVENUE AND CHURCH STREET INTERSECTION

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City Administrator Jennifer Stapleton anticipates bringing back a bid on the Farmin's Landing and downtown revitalization project to City Council next month. The initial design of Farmin's Landing has been developed, and workshops will be held for public feedback. The cost of the amendment for the Farmin's Landing project is \$41,537 and \$272,599 for Phase 2 of the downtown revitalization project. The downtown revitalization project is funded through the Sandpoint Urban Renewal Agency, and the Farmin's Landing project will be funded 50% from a grant through the LOR Foundation for the design. The balance of this project will be funded through the Sewer Fund for storm water mitigation.

Councilman Eddy moved that City Council approve the proposed resolution, Amendment #4 to Engineering Consulting Services Agreement with Century West Engineering Corporation for Phase 2 Conceptual Design for Farmin's Landing and Phase 2 of Downtown Revitalization Including Bridge Street, First Avenue and Church Street Intersection. **Councilman Aitken seconded the motion.**

A roll call vote of Council resulted as follows:

Councilman Darling	Yes
Councilman Aitken	Yes
Councilman Eddy	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilwoman Williamson	Yes

The motion passed unanimously by Council.

E. WASTEWATER TREATMENT PLANT FACILITY UPDATE

Steve James of JUB Engineering, Inc., reported that the City's new discharge permit expires in 2022. In the future, the City will have different permit requirements that are not possible with the existing facility. He stressed that the current infrastructure is aging. The Community Advisory Committee and the Technical Advisory Committee were formed to review options for infrastructure improvements. We need to consider whether to stay at the existing site or relocate the facility to City property located on Baldy Mountain Road. The current site is located within a residential neighborhood, but we have a lot of investment in the current site. One benefit of staying at the current site is the ability to sell the property on Baldy Mountain Road, which would generate funding for a new facility at the current site. The advantages of building a new facility at the Baldy Mountain Road site is there is more room and construction will be easier. The disadvantage is that it will require installing pipe from the current site to the new site, which will be very expensive, at a cost of \$20 million to \$30 million. The goal is to balance water quality with affordability by meeting the current and future permits.

Mr. James reported there are several treatment technologies to consider. The membrane reactor concept has the smallest footprint and the best water quality, but it's also the most expensive and uses the most energy. This technology can be used at both sites. Another option is BioMag, which uses magnetic material, allowing more water to flow through the plant. It's still costly, requires more energy use and doesn't use the best water quality. The

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extended air activated sludge (EAAS) technology is easier to build but has a much larger footprint and cannot be used at the existing site. It could be used at the new site. It uses less energy and has the same water quality as the BioMag technology. The Community Advisory Committee recommends utilizing the existing technology, which will meet the permit requirements, and looking at options that provide minimal costs. Peak flows are an issue because they are as high as 1.5 million gallons per day. The current facility currently handles up to 5 million gallons per day. The extra five million gallons have to be treated differently. Treatment of extra peak flows will become more difficult in the future.

They are working with the Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA) to find ways for the City to continue to discharge peak flow while working with infill and infiltration. The goal is to have treatment at the highest quality and help reduce flow over time. He explained that infill and infiltration (I&I) comes from any clean water source. Another source is drainage from roofs that goes directly into the sewer system and homes that have sump pumps. He noted that City staff has helped to lower the flows. The next step is to evaluate this issue. He will continue to bring periodic updates and will bring forward stronger recommendations to City Council.

Councilwoman Williamson commented that she is nervous when using the term clean water around infill and infiltration, as there is storm water that carries pollutants. She commented that future treatment requirements will be taken over by the State of Idaho, with consideration of what construction costs will entail in terms of our permit cycles. Mr. James noted that the City could continue to treat peak flows, but it would be much more cost effective to remove peak flows. Permits will get tighter overtime. The City has been fighting milfoil growth, with phosphorus assisting in mitigating this issue. In the future, the City will see ammonia in the permit but, over time, this will become toxic to sensitive microorganisms. A future permit for phosphorus and ammonia will include high standards for treatment. Permits are currently regulated through the EPA, but Idaho is taking over the responsibility of the permit process. Mercury was recently added to the permit, and he projects that we could see polychlorinated biphenyl (PCB) added. The City could see different limitations in the future.

Mr. James explained that, if the facility is moved, an influent screening area and pump station at the Baldy Mountain Road site is needed. There is approximately 30% to 40% solid treatment at the current site. He has preliminary costs, although he can provide the costs without context. The City of Coeur d'Alene has much less peak flows due to their soil. The Silver Valley has similar challenges with peak flow as Sandpoint. Impact on treatment costs are significant for high peak flows.

F. STAFF UPDATE – UNIVERSITY OF IDAHO BOYER AVENUE PROPERTY

City Administrator Jennifer Stapleton noted that staff is preparing a grant application through the LOR Foundation for the purchase of the University of Idaho (U of I) property. The City is on a tight timeline as the University intends to put the property on the market sometime in May. Purchasing the property will provide more time with a more robust public

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process. There has already been a lot of public feedback. Studio Cascade has held workshops with approximately 100 in attendance. This is the first project used with the Open Town Hall platform. 750 people participated in the Open Town Hall survey, with 546 responses received. In the process of compiling results, 314 were registered and 232 were not registered. Those who registered are set up for future surveys. Staff is working with Studio Cascade on the final report, which will be made available to City Council and the public within the next week. The presentation to the LOR Foundation will not be on specific uses of the property. Significant response from the public demonstrates that the property should remain as open public use. The goal is to gain ownership of the property, which will allow the City to realize the community vision. A proposal will be provided to the LOR Foundation on March 6th. An update will be provided to the community and City Council after the presentation.

Mayor Rognstad added that a request was sent to the Sandpoint Urban Renewal Agency (SURA) for a letter of support and to amend their Northern area plan. SURA has agreed to initiate the process.

Ms. Stapleton noted that thirteen letters of support have been received to date for the grant proposal. Staff is looking at other opportunities, such as connectivity to trails, based on community feedback. There have been conversations with the Union Pacific Railroad regarding their abandoned railway, and the City of Ponderay provided a letter of support for trail connectivity between our communities. Other funding resources have been identified to purchase railroad property and funds to build the trail.

Julie McCallan, Sandpoint resident, representing the Waldorf School, stated their school is outgrowing their current site. She submitted a letter from Waldorf School, expressing interest in the U of I property to expand their school. The school is interested in being a part of ongoing discussion on the property and its future. They also have interest in discussing the purchase of a portion of the property or a long-term lease.

NEW BUSINESS

G. AREA OF CITY IMPACT REVIEW

Planning and Economic Development Director Aaron Qualls noted that the City has an agreement with Bonner County, mandated through State Code, regarding the Area of City Impact (ACI). The ACI is an area predicted where the City may grow. Bonner County is required to submit proposed applications and changes to zoning, allowing the City to provide comments within 40 days. Bonner County is proposing to revise their code on variances and expansion of industrial uses, as well as other proposed amendments mentioned in the staff report. He pointed out that staff recommendations are limited to only those areas within the ACI. The City of Kootenai provided additional recommendations. The two issues that the Sandpoint Planning Commission recommended to comment on are the larger commercial industrial area operations, such as meat processing and food manufacturing in zones, which could significantly impact the ACI. The City's

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Comprehensive Plan does not support this type of zoning within its vision statement. There is a proposal to expand administrative variances but it was pointed out that there are administrative exceptions which allow for additional variances. The exceptions are a change from numbers to percentages for dimensional requirements for setback, subdivision depth and width standards or parcel/lot sizes.

Councilwoman Williamson commented that, even though there is an application and appeal process for variances, there is no process for exceptions. Even though the uses can be located outside the ACI, she raised concern that open pit mines and asphalt plants would have a significant impact on the City's economic development, transportation, road infrastructure, air and water pollution and felt they deserve a section of comments. **Councilwoman Ruehle** concurred. She agrees with the observations included in the letter from the City of Kootenai, even though the zones are not included within the ACI.

Councilwoman Williamson moved that the Bonner County Planning Department be advised that Sandpoint City Council has the following comments on the proposed amendments:

1. BCRC 12-334 Industrial Uses: Larger commercial/industrial operations, and any housing associated with them beyond current densities of the underlying zoning designation are incompatible with Sandpoint's ACI and food/dairy products processing and meat processing over 2,000 square feet should only be allowed in commercial or industrial zones.
2. BCRC 12-238 Administrative Variances: That Administrative Variances shall be treated as regular variances within the ACI for purposes of comment and review periods.

Councilwoman Ruehle seconded the motion.

Councilwoman Williamson moved to amend to include BCRC 12-264 Administrative Exceptions: to have an application and appeal process for administrative exception including notifying the City if the property is located within the ACI. **Councilwoman Ruehle seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

Councilwoman Williamson moved to amend to include BCRC 12-336 Resource-Based Uses: Batch asphalt/an or concrete plants and open pit mines will have the potential to significantly impact the overall quality of life in the City of Sandpoint, recognizing that these

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are permitted uses in Bonner County, however, these uses could impact economic development, transportation, road infrastructure and integrity as well as potential air and water pollution. **Councilwoman Ruehle seconded the motion.**

A roll call vote of Council resulted as follows:

Councilwoman Ruehle	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes
Councilman Eddy	Yes

A roll call vote of Council resulted as follows to the main motion:

Councilman Eddy	Yes
Councilman Aitken	Yes
Councilman Aispuro	Yes
Councilwoman Ruehle	Yes
Councilman Darling	Yes
Councilwoman Williamson	Yes

The motion passed unanimously by Council.

H. TREASURER'S FINANCIAL QUARTERLY REPORT FOR OCTOBER 1, 2017 TO DECEMBER 31, 2017

City Treasurer/Finance Director Sarah Lynds provided a brief presentation on OpenGov. She briefly reviewed the expenses and revenues of the General Fund. When reviewing the maintenance and operations section, you can see what was expended by each department. She reviewed the Recreation Fund, the revenue for the local option tax and the Water and Wastewater Funds. She noted that, during the first quarter of the year, 100% of the funds are transferred to the debt payment fund. She also noted that she provided a link to City Council for the "story" on OpenGov. This presentation will also be available for public review on the City's website and on the City's Facebook page.

ADJOURNMENT The meeting adjourned at 6:30 p.m.

Shelby Rognstad, Mayor

ATTEST:

Maree Peck, City Clerk